

BILL NO. R-67-02- 16

RESOLUTION NO. R- 50-67

A RESOLUTION authorizing the City Controller to invest certain funds not immediately required for disbursement.

WHEREAS, the City Controller has determined that there is a balance of \$1,210,000.00 in certain accounts which will not be required for disbursement immediately, and that investment of this money in approved U. S. Government bonds, notes or bills, would be in the best interest of the City of Fort Wayne until required for disbursement;

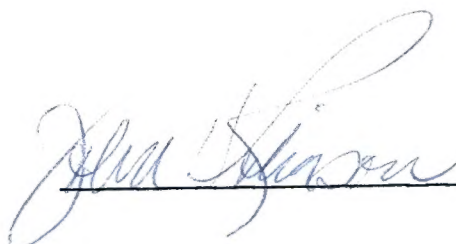
NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

That the City Controller be and he is hereby authorized to invest the following amounts for the times specified in approved U. S. Government bonds, notes or bills:

<u>Account</u>	<u>Balance</u>	<u>Period Available For Investment</u>
Motor Vehicle Highway Fund	\$750,000	120 Days
Sewer Relief Fund	200,000	90 Days
Parking Meter Fund	100,000	6 Months
Expressway Special Fund	60,000	1 Year
St. Mary's River Impounding Fund	100,000	6 Months

APPROVED AS TO FORM
AND LEGALITY,


CITY ATTORNEY





City of Fort Wayne

IVAN H. McKATHNIE
City Controller

February 2, 1967

Mr. Edwin Rousseau
President, Fort Wayne City Council
City Hall, Ft. Wayne, Indiana

Dear Mr. Rousseau:

This is to advise that the City Controller recommends the City Council adopt the accompanying resolution which authorizes the Controller to invest monies carried as balances in certain funds for varied periods of time.

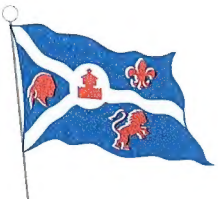
As a matter of explanation, I want to point out that for many years the City Controller was permitted to pay operating expenses of the city between tax settlement times out of the monies in various special and general fund balances.

This practice was discontinued two years ago when the State Board of Accounts ruled that this practice was not permitted by law. The State Board of Accounts stated that if the general fund operating balance was not sufficient to meet current operating expenses, money should be borrowed from commercial banks.

In order to comply with this ruling, we have been borrowing approximately \$1,750,000 twice each year in the amounts and for the length of time necessary to carry the operating expenses of the departments.

It should also be pointed out that we have not been permitted to accumulate enough operating balance in the General Fund to meet current operating expenses because the State Tax Board has reduced our operating balance each year the budget has come up for approval. The Tax Board points out that, in their opinion, the city should not carry an operating balance sufficient to meet these expenses between tax paying periods.

In view of these rulings and actions by the state offices, the Controller feels that since certain funds will contain balances for



periods from 30 days to one year and they cannot be used to pay operating expenses, these monies be invested in approved U. S. Government bonds, notes, or bills, in order to earn interest until they are needed for the purpose for which they were appropriated.

This will help offset the interest cost on the money borrowed twice each year as an operating balance. It should be pointed out that any interest earned on money invested from any particular account, must be credited to that account when the Government bills or notes mature.

The Council is also advised that an alternate method of maintaining a sufficient operating balance is to ask the City Council to authorize the borrowing of money from the special funds referred to at various times during the year.

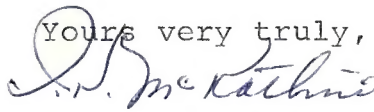
Since we currently are borrowing from a commercial bank, it is recommended that this procedure not be attempted until after the present loan is repaid. It is suggested that the authorization to invest the funds be passed, and we set up the proper procedure for making the inter-fund loans if it is determined that this is the best method for handling future operating fund requirements.

For your information, the following balances are available in these accounts for investment in Government securities:

Account	Balance	Period Available For Investment
Motor Vehicle Highway Fund	\$750,000	120 Days
Sewer Relief Fund	200,000	90 Days
Parking Meter Fund	100,000	6 Months
Expressway Special Fund	60,000	1 Year
St. Mary's River Impounding Fund	100,000	6 Months

This makes a total of \$1,210,000 available for investment for varying periods of time. The interest on Government Bonds on this amount will exceed \$3,000 per month income to the city.

It is hoped the Council will approve the resolution at its meeting February 13.

Yours very truly,

 I. H. McKathnie
 City Controller

IHM/bb

cc: Board of Works, John Robinson, Chairman Council Finance Committee
 Edwin Ehinger, Vernita Millikan, Ivan H. McKathnie

City of Fort Wayne

IVAN H. MCKATHNIE
City Controller

February 2, 1967

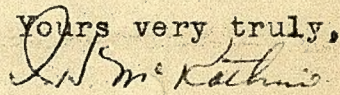
Mr. J. Robert Arnold
Fort Wayne City Attorney
1120 Lincoln Bank Tower
Fort Wayne, Indiana

Dear Mr. Arnold:

In compliance with your letter of January 31 relative to the investment of monies in various city funds for periods of time they would not be required for use, I have written the attached letter to the City Council asking them to approve such a resolution.

Would you please prepare the necessary resolution authorizing the City Controller to invest the amounts of money set out in the letter to the City Council for the periods of time mentioned. These periods of time run from February 14, the date of the next meeting of the City Council.

Yours very truly,



I. H. McKathnie
City Controller



On Passage

Read the first time in full and on motion by Buchanan seconded by Buchanan and duly adopted, read the second time by title and referred to the (Committee on) _____ (~~and to the City Plan Commission for recommendation~~) (and Public Hearing to be held after due legal notice, at the Council Chambers, City Hall, Fort Wayne, Indiana, on _____ the _____ day of _____ 196____, at _____ o'clock P.M., E.S.T.

Date: 2/14/67 Wallace Meyers
CITY CLERK

Read the third time in full and on motion by _____ seconded by _____ and duly adopted, placed on its passage.

Passed (~~and~~) by the following vote:

On Passage

	AYES <u>9</u>	NAYS <u>0</u>	ABSTAINED _____	ABSENT _____	to-wit:
Buchanan	<u>/</u>	<u>/</u>	<u>/</u>	<u>/</u>	
Dunifon	<u>/</u>	<u>/</u>	<u>/</u>	<u>/</u>	
Fay	<u>/</u>	<u>/</u>	<u>/</u>	<u>/</u>	
Hinga	<u>/</u>	<u>/</u>	<u>/</u>	<u>/</u>	
Nuckols	<u>/</u>	<u>/</u>	<u>/</u>	<u>/</u>	
Robinson	<u>/</u>	<u>/</u>	<u>/</u>	<u>/</u>	
Rousseau	<u>/</u>	<u>/</u>	<u>/</u>	<u>/</u>	
Steigerwald	<u>/</u>	<u>/</u>	<u>/</u>	<u>/</u>	
Tipton	<u>/</u>	<u>/</u>	<u>/</u>	<u>/</u>	

Date 2-14-67 Wallace Meyers
CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as ~~(Zoning Map) (General Appropriation) (Special Appropriation) Ordinance~~ (Resolution) No. R50-67 on the 14th day of February, 1967.

ATTEST (SEAL) Wallace Meyers CITY CLERK Elmer J. Rousseau RESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 15th day of February, 1967 at the hour of 10:00 o'clock A.M., E.S.T. Wallace Meyers CITY CLERK

Approved and signed by me this 15th day of February, 1967, at the hour of 10:58 o'clock A.M., E.S.T. Harold S. Zeis MAYOR